

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Complaint on Sunday
and Holiday Collections

Docket No. C2001-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CARLSON INTERROGATORIES DFC/USPS-25-49, 51-52, 54-58
(July 5, 2001)


DFC/USPS-25 - 58 were filed on June 21, 2001. On June 28, 2001, the Postal Service filed objections to items 25, 31, 40, 50, and 53. As it indicated it would do in those objections, the Postal Service is filing responses to item 25, but is not providing the full information requested. The Postal Service maintains its complete objection to items 50 and 53. The Postal Service hereby provides its responses to all other items, including items 31 and 40. Each interrogatory is stated verbatim, and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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July 5, 2001

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-25. Please refer to the response to DFC/USPS-10.

- a. Please confirm that the average daily cancellation volume of First-Class Mail provided in USPS-LR-2 has, for most facilities, generally risen over time between 1992 and 2001. If you do not confirm, please provide the number of facilities for which the average daily cancellation volume generally has fallen over time between 1992 and 2001. (If necessary to remove any ambiguity in any part of this interrogatory, an average daily cancellation volume can be considered to have risen over time between 1992 and 2001 if the average daily cancellation volume in FY 2000 is higher than the average daily cancellation volume in 1992.)
- b. For facilities whose average daily cancellation volume of First-Class Mail has risen over time between 1992 and 2001, please confirm that reporting a ratio of cancellations on holidays to average daily cancellations in FY 2000 understates or underestimates the actual quantity of mail cancelled on holidays in the earlier years when average daily cancellation volume was lower than it was in FY 2000. If you do not confirm, please explain.
- c. For each holiday for each facility identified in USPS-LR-2, please provide the ratio of holiday cancellation volume to average daily cancellation volume for the fiscal year most recent to the holiday.
- d. For each holiday for each facility identified in USPS-LR-2, please provide the ratio of holiday cancellation volume to average Saturday cancellation volume for the fiscal year most recent to the holiday. If the average Saturday cancellation volume for the fiscal year most recent to the holiday is not available, please provide the ratio of holiday cancellation volume to average Saturday cancellation volume in FY 2000.

RESPONSE:

- a. It does not appear that there has been much movement in average cancellations over the years. Using the data that were the source of the data provided in USPS-LR-2, a yearly facility daily average series was calculated, which shows, in thousands of pieces, the average of the average daily cancellations for the facilities in the system in each of the years 1992-2000:

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00
498	436	417	406	403	402	401	397	402

These data are quite consistent with the addition of facilities to the reporting database in the years 1993, 1994, and 1995. Obviously, the facilities being added during those years were generally smaller, and therefore pulled down the average. From 1995 until 2000, however, there is virtually no change in the average facility average daily cancellations. There would be more variation in the daily average at each facility, but there is no reason to expect that there has been a general upward trend over the observed time period.

b. If there had, in fact, been an upward trend in cancellations over the sample period, the hypothesized understatement of the ratios reported in LR-2 in the early years of the period would have occurred. As explained in response to part a., however, the general trend has on average been flat, rather than upward.

c. Based on the responses to parts a. and b., an objection has been filed on the grounds that the requested recut of the data in LR-2 would not provide any material improvement relative to the data as already presented.

d. Experienced operations personnel had indicated as a rule of thumb that Saturday volume tends to run 65 percent of normal volume. Using the same approach as used to provide the calculations presented above in response to part a., an average facility Saturday cancellation was estimated

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

for each year, and expressed as a percentage of the average facility daily averages shown above:

FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00
66.5%	62.4%	62.1%	63.8%	63.5%	65.4%	64.8%	64.5%	63.7%

These data show the rule of thumb to be both accurate and stable over time.

To the extent that interest has been expressed as to how the holiday percentages reported in LR-2 might relate to Saturday volume information, it would appear that the rule of thumb of 65 percent provides a solid basis to make such comparisons. The Postal Service has objected that any further recut of the data in LR-2, in relation to Saturday information, would not provide any material improvement relative to the data as already presented.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-26. Please refer to the memo provided in response to DFC/USPS-3 and the data provided in USPS-LR-2. Please confirm that the only collection boxes that could properly have shown a holiday collection time during the period from December 25, 2000, to January 1, 2001, would be those collection boxes located in the service areas of the P&DC's or P&DF's located in Milwaukee, WI, Fargo, ND, Bismarck, ND, Lincoln, NE, and Cleveland, OH. If you do not confirm, please explain fully.

RESPONSE:

Confirmed that those five facilities are the only ones that cancelled on both Christmas 2000 and New Year's 2001. Local offices have been instructed to leave the holiday field blank unless they expect to collect and process mail from the box on every holiday. Local offices would not be expected to change the collection label for each holiday, and it is perhaps inappropriate to attempt to evaluate consistency with the instructions based on what happened on any holiday or set of holidays. It appears, however, that the objective of the instructions would not have been fulfilled if boxes served by other facilities were displaying a holiday collection time during the 2000-2001 Christmas/New Year's holiday season.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-27. Please refer to the response to DFC/USPS-9, where the response states, "After the elimination of routine Sunday collection and processing in 1988, it is possible that the mailing public implicitly began to associate collection and processing operations with days in which they receive delivery. In that case, the fact the holidays are days in which mail is not delivered might have caused people to tend to deposit less mail on holidays." The response continues, "It might be that the Postal Service conducts the operations in question on holidays less extensively now than in the past because there is less mail being deposited."

- a. Please provide all documents, memos, and other information that provides the basis for these statements.
- b. Does the Postal Service believe that the data provided in USPS-LR-2 support these statements? If so, please explain how.
- c. Please confirm that the cancellation volumes reported in USPS-LR-2 will be affected by the number of collection boxes from which mail was collected on each holiday and the time of day at which each collection box was collected. If you do not confirm, please explain.

RESPONSE:

- a. The Postal Service is unaware of any documents or memos that provide a basis for those statements.
- b. The data provided in USPS-LR-2 are consistent with these statements, in the sense that less mail is being processed. The data in LR-2 cannot "support" the statements, however, because they do not purport to address why less mail is being processed. For example, at the extremes, the data in LR-2 would look the same whether less mail was being deposited and the Postal Service was processing everything that was being deposited, or the exact same amount of mail was being deposited and the Postal Service was merely processing a smaller portion of that mail.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

c. Not confirmed. Non-zero volumes would be affected, but if a facility is not processing, the volume reported (i.e., zero) is not affected by the number of boxes swept and when they were swept.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-28. In USPS-LR-3, please refer to the Pacific Area memo dated October 27, 2000, concerning mail processing on Veterans Day.

- a. Please confirm that the Pacific Area expected "typical Saturday mail volumes" on Veterans Day, Saturday, November 11, 2000. If you do not confirm, please explain.
- b. Please confirm that the Pacific Area determined that processing plants would not cancel mail on Saturday, November 11, 2000. If you do not confirm, please explain.
- c. Please explain the reasons why the Postal Service apparently determined that a typical Saturday mail volume was insufficient to require plants in the Pacific Area to process outgoing mail on Veterans Day in 2000.
- d. Please confirm that the memo states that post offices must observe holiday collection schedules on November 11, 2000.
- e. Please explain how any holiday collection schedules on collection boxes in the Pacific Area could be consistent with the memo provided in response to DFC/USPS-3 given that plants in the Pacific Area would not be processing mail on Saturday, November 11, 2000.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. As indicated in the memo, the decision was based on a telecon discussion between Area officials and local managers. While the memo indicates that volumes were expected to be "typical" for a Saturday, the memo also implies that Saturday volumes typically are "light." Because many postal employees are veterans, Veteran's Day is a particularly difficult day to staff. Moreover, unlike a typical Saturday, craft personnel working on Veteran's Day would receive the holiday premium. Based on their revised assessment of the relative costs and benefits, the responsible officials determined that, instead of allowing plant managers to decide on a site by site base to

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

cancel or not (see earlier memo dated Oct. 24, 2000), cancellations would not be conducted on that holiday.

d. Confirmed.

e. The intent of the instruction was probably to remind local offices that high-volume boxes, which are normally collected on holidays in order, if for no other reason, to avoid overflows, should be collected for that purpose.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-29. In USPS-LR-1, please refer to the two headquarters memos describing operations for the Veterans Day and Christmas Day holidays in 2000 and the New Year's Day holiday in 2001.

- a. Please confirm that the memo concerning Christmas Day and New Year's Day waived, for that holiday period only, the requirement in POM § 125.22 that "consecutive days without collections should be avoided." If you do not confirm, please explain.
- b. Please confirm that the memo concerning Veterans Day implicitly, but not explicitly, waived the requirement in POM § 125.22 that "consecutive days without collections should be avoided." If you do not confirm, please explain.

RESPONSE:

a. Confirmed that the question correctly reflects the content of the November 17, 2000 Christmas/New Year's memo. It may be noted, however, that the characterization of the quoted provision of POM § 125.22 as a "requirement" is not without ambiguity, because that provision is aspirational ("should be avoided") rather than mandatory (e.g., "are prohibited").

b. Not confirmed. The instructions in the October 20, 2000 Veterans Day Memo ("At a minimum, collections are to be scheduled from all Time Decal boxes and other collection boxes as necessary to prevent them from overflowing" and "Each office must carefully evaluate the service needs of their communities and determine what level of service is warranted") are substantially consistent with the instruction that "consecutive days without collections should be avoided."

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-30. Please refer to the response to DFC/USPS-13, which states that the Postal Service is unaware "of any year other than 1999" when Postal Service headquarters "expressly authorized" the practice of making the final collection from collection boxes on Christmas Eve prior to the posted collection time for the day of the week that corresponds to Christmas Eve. Please describe the process in years prior to 1999 for field offices to obtain permission or otherwise properly proceed to make the final collection from collection boxes on the eve of a holiday prior to the posted collection time for the day of the week that corresponded to the eve of the holiday.

RESPONSE:

Generally speaking, the process would have been the same. Earlier versions of the memo provided in response to DFC/USPS-17 were circulated as early as the mid-1990s. As a practical matter, there probably are two separate processes involved. The first would be for the field unit to obtain some authorization to adjust its schedules. Presumably, that process would involve discussion with officials on at least the District level. Obviously, if a District Manager decided to make adjustments over his or her entire district, by definition, District officials would have been involved in that process. The second process is for District officials to notify the appropriate unit at Headquarters that schedules have been adjusted in order to have EXFC testing schedules adjusted as well. As described in the memo attached to the response to DFC/USPS-17, that requires documentation that appropriate notification to the public will be provided.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-31. Please refer to the response to DFC/USPS-14. Please provide all documents describing local adjustments to collection schedules relating to federal holidays, including local adjustments to collection schedules on the day or days preceding federal holidays.

RESPONSE:

Please see USPS-LR-C2001-1/4.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-32. Please refer to the response to DFC/USPS-14 and the headquarters memorandum in USPS-LR-1 dated June 23, 2000. Please confirm that neither the Triboro District nor any other district was required to notify Postal Service headquarters of the plan to employ a Saturday collection schedule on Monday, July 3, 2000. If you do not confirm, please explain.

RESPONSE:

Confirmed. Please see, however, the response to DFC/USPS-52.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-33. Please refer to the response to DFC/USPS-14. Please explain the function and role of field communication offices.

RESPONSE:

Field communications offices have responsibilities in their areas for media relations (e.g., developing local contacts, placing news stories in local media, training local officials in media relations), Congressional liaison, employee communications (e.g., print and electronic messages to employees), promotion of major postal events, crisis plan implementation, and daily monitoring of media coverage to identify for local officials issues that are garnering media attention. They also support local officials with speech writing, provide advice and counsel as necessary, conduct community outreach efforts, and sometimes assist in mediating local problem issues with customers, unions, or local government officials.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-34. Please refer to the response to DFC/USPS-14. Does the Postal Service take the position that no early collections on eves of holidays occurred in years in the 1990's other than 1998 and 1999? Please explain.

RESPONSE:

No. The response to DFC/USPS-14 reports the suspension of collections on Christmas Eve in 1996 in Phoenix, Tucson, and Salt Lake City. It is certainly possible that other instances occurred and were not reported. Inquiries on this topic, however, have resulted in very consistent expressions of opinion that the practice occurred much less frequently, if at all, in years prior to 1998 and 1999, when Christmas Eve fell on Thursday and Friday, respectively.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-35. Please refer to the responses to DFC/USPS-14 and -16.

- a. Please confirm that the Triboro District administers post offices located in the New York City boroughs of Brooklyn, Queens, and Staten Island. If you do not confirm, please explain.
- b. Please confirm that some collection boxes located in Flushing (Queens), New York, have weekday collections at 10 AM and 5 PM and a single Saturday collection at 10 AM. If you do not confirm, please explain.
- c. Please explain why the Postal Service could not have avoided "routine Monday operations" on Monday, July 3, 2000, by eliminating the *early* collection or collections on collection boxes that have multiple weekday collections and performing only the *final* posted weekday collection.
- d. Please confirm that no sign or announcement was posted at the main post office at 41-65 Main Street in Flushing, New York, on the afternoon of Saturday, July 1, 2000, informing customers that the collection boxes in Flushing would be collected on Monday, July 3, 2000, according to the posted Saturday collection time. If you do not confirm, please provide a copy of the sign or announcement and explain where the sign or announcement was posted.
- e. Does the Postal Service believe that media announcements in New York City concerning curtailed collections on Monday, July 3, 2000, obviated the need to post this information at the main post office in Flushing?
- f. Please provide a copy of each announcement that the Triboro District provided to the media concerning curtailed collections on Monday, July 3, 2000.
- g. Please provide a copy of every announcement that actually appeared in the media and a copy of which the Postal Service possesses.
- h. Please identify the media outlets that actually published information concerning curtailed collections.
- i. Please confirm that collection boxes located in La Guardia Airport and John F. Kennedy International Airport are under the jurisdiction of the Triboro District. If you do not confirm, please explain.
- j. Please confirm that observing a Saturday collection schedule in the Triboro District meant that some collection boxes that were accessible to the public on Monday, July 3, 2000, would not have been collected at all because some collection boxes located in the Triboro District are not scheduled for Saturday collections. If you do not confirm, please explain.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

RESPONSE:

a. Confirmed that the Triboro District includes, but is not limited to, the areas stated in the question.

b. Confirmed.

c. Saturday collections are scheduled to cover the one delivery day in the week on which most businesses are closed. The decision in the Triboro District to go to Saturday schedules on Monday, July 3, 2000, was made in light of the fact that most businesses would not be open, normal mail volumes would not be present, and the Saturday collection schedule would therefore be more appropriate than a weekday collection schedule. It would not be possible to achieve the cost savings gained from switching to a Saturday schedule by instead trying to run collections on the last scheduled weekday pickup. In other words, there would be no practical efficiencies to be gained merely by dropping the earlier of two scheduled weekday collections.

d. There is no certain recollection whether such signs were posted at that location or not, but no copies have been located.

e. No. On the other hand, it seems reasonable to expect that the overlap between the group of people that might deposit mail in collection boxes in the Triboro district on Monday, July 3rd, and the group of people who might see a sign in the main post office in Flushing on the afternoon of Saturday, July 1st, would not necessarily be extensive.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

f. No such copies could be located. A notice issued by the New York District, however, may be found in LR-4.

g. No such copies could be located. A copy of an email message that may be found in LR-4, however, indicates that New York District actually placed a "Public Notice" ad in the Saturday, July 1 issue of the NY Daily News which provided, along with other holiday information, notice that collections would be conducted on a Saturday schedule on Monday, July 3.

h. No information is available on the media outlets that actually published notices regarding curtailed collection in the Triboro District on July 3, 2000, but see the above response to part g.

i. Confirmed.

j. Confirmed that some collection boxes in the Triboro District are not scheduled for Saturday collection, but all boxes in Flushing are scheduled for Saturday collection.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-36. Please refer to the response to DFC/USPS-15.

- a. Does the Postal Service believe that posting a sign on every collection box notifying the public of curtailed collections would provide no better information to the public than media announcements and other communication methods that the Postal Service currently uses?
- b. Despite the limitations described in the response to DFC/USPS-15 of notices posted on every collection box, does the Postal Service believe that notices posted on every collection box in addition to media announcements would be more effective in informing most members of the public of curtailed collections than media announcements alone?

RESPONSE:

a. Putting aside the logistical issues of posting a sign on every collection box, the obvious disadvantage of that method of notice is that mailers quite possibly would not get the notice until they were at the box, expecting to deposit a letter. At that point, it might be too late for a concerned mailer to take practical steps to avoid a delay. Advance media notices have a better chance of allowing mailers to adjust their deposit time to meet the adjusted collection time, if they perceive a particular need to have their mail processed on the day in question.

b. Under the scenario described, it is plausible that some people who saw the notice on the collection box would be people who missed the media notice. In that sense, using both modes of communication may be marginally more "effective" than using just one. There would be costs associated with putting a notice on every box, however. The marginal benefits, moreover, would be limited to those mailers who were intending to deposit their mail after the adjusted collection time, who were unaware of the media notice, who saw the notice on the box in time to alter their deposit, and who actually valued outgoing processing on that day sufficiently to warrant altering their

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

deposit time or taking other steps to achieve that result. Given that the occurrence in question (collection adjustments on the eve of holidays) is relatively rare, and given that it only occurs in instances in which overall volume will be quite light anyhow, the Postal Service is unaware of any reason to believe that the subset of mailers described would come anywhere close to being sufficient to justify the burden of attempting to put a notice on every collection box. Although employee morale may also be an issue, the primary purpose of the schedule adjustments in question is to avoid the inefficient incurrence of costs. The purpose of the desired cost savings would be frustrated if they are offset by increased expenditures to place notices on every box.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-37. Please refer to the response to DFC/USPS-15, where the Postal Service states that "it is far from clear that a delay of two to three days under the circumstances described would necessarily be critical to most customers, or even to many customers."

- a. Please provide any studies, reports, or other documents that substantiate the assertion quoted in this interrogatory.
- b. Does the belief that a delay of two to three days in the delivery of First-Class Mail would not necessarily be critical to many or most customers reflect a general Postal Service philosophy concerning its responsibility to the public for delivering First-Class Mail?

RESPONSE:

- a. The Postal Service is unaware of any materials which address this topic.
- b. Obviously not. The Postal Service has devoted substantial energy, attention, and resources to improving First-Class service performance throughout its existence and, perhaps most notably, over the last decade. The statement from the response to DFC/USPS-15 quoted in the question was expressly limited to "the circumstances described," and that response included ample discussion of the basis for that statement. See also the response to DFC/USPS-38.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-38. Please refer to the response to DFC/USPS-15.

- a. Please confirm that Monday, July 3, 2000, was not a federal or postal holiday.
- b. Please explain the basis for the apparent Postal Service position that postal customers believe that holiday periods other than the Christmas season disrupt mail delivery on days other than the holiday itself.
- c. Please explain the basis for, and provide any reports, studies, or documents substantiating, the statement that "most mailers who deposit their mail late in the day on the eve of a major holiday either are not especially concerned with the time in which their mailpieces are delivered, or will tend to build in more of a cushion to accommodate routine holiday disruptions."
- d. Does the Postal Service believe that most mailers who deposit their mail late in the day, but prior to the posted collection time corresponding to the day of deposit, are not especially concerned with the time required for their mail to be delivered? If yes, please explain, state the basis for, and provide any reports, studies, or documents substantiating this belief.
- e. Does the Postal Service believe that most mailers who are particularly concerned with the time required for their mail to be delivered will deposit their mail early in the day, rather than late in the day but prior to the posted collection time? If yes, please explain, state the basis for, and provide any reports, studies, or documents substantiating this belief.
- f. If the response to either part (d) or part (e) is no, please explain why mailer behavior changes on the eve of a major holiday so that mailers who are especially concerned with the delivery time of their mail will deposit their mail early in the day, rather than late in the day but prior to the posted collection time corresponding to the day of deposit.
- g. Suppose a postal customer approached a Postal Service collection box in the Triboro District on Monday, July 3, 2000, at 4:50 PM. The posted weekday collection time was 5:00 PM, and the posted Saturday collection time was 10 AM. This customer did not see or hear any announcements from the Postal Service concerning curtailed collection times on Monday, July 3, 2000. Does the Postal Service believe that this customer should have thought that, perhaps, the Monday collection time would not apply on Monday, July 3, 2000, even though Monday, July 3, 2000, was not a holiday, and therefore, the customer should not have relied on the 5 PM collection time if he/she wanted the mail to be collected and processed on Monday, July 3, 2000?

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

RESPONSE:

a. Confirmed.

b. It is not necessarily the Postal Service position that postal customers believe that holiday periods other than the Christmas season disrupt mail delivery on days other than the holiday itself. In general, for most federal holidays, that is probably not the case. That perhaps explains why the Postal Service is unaware of any material amount of schedule adjustments on holiday eves other than during the Christmas season, with the sole exception of Independence Day, 2000.

Independence Day, like Christmas and New Year's, can occur on any day of the week. When, for example, Independence Day falls on a Wednesday, as it will this year, there will probably be fewer private sector businesses and organizations that will suspend or adjust their operations on any day other than Independence Day itself. On the other hand, when Independence Day falls on a Tuesday or a Thursday, many such entities may decide to create a four-day "weekend" by shutting down on Monday or Friday. The Independence Day "season," so to speak, can therefore range from one day to four days. The longer the season, the more likely it becomes that people will have the ability and the inclination to depart from their regular work-centered routines. It is human nature to project on to others one's own experiences and expectations. The more pervasive the perception that things are "shut down" for the holiday, the more people will expect that a wide variety of normal routines and schedules will be disrupted, including those for postal operations. Note also that when Independence

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

Day falls, for example, on a Tuesday, Monday (July 3rd) falls in the middle, not at the beginning, of what many would consider and treat as a four-day holiday period.

c. The Postal Service is unaware of any reports, studies, or documents that address any of the topics of any part of this question. The basis for the quoted portion of the response to DFC/USPS-15 is both operational and personal experience. While correspondence is an important part of the holiday season, that aspect of people's focus subsides dramatically by Christmas Eve. People recognize that First-Class Mail deposited on Christmas Eve will not be delivered before the holiday. The previously frenetic pace of customer activity diminishes to a trickle. Quite commonly, the primary objective of the remaining customers becomes "clearing the deck," taking care of those transactions which might interfere with their ability to participate in seasonal festivities, or simply to relax. Sometimes those individuals are on their way out of town for an extended holiday. Under these circumstances, mailers are often depositing their mail several days, or many days, in advance of when they might otherwise in the absence of the holiday. Such customers are largely indifferent to whether their mail is collected and processed before or after the holiday.

d.-e. Under normal conditions, most people probably believe that depositing their mail prior to the last posted collection time will be sufficient to get that mail into the mailstream that day, and will handle their mail accordingly. On the other hand, if people have the option to deposit their mail where there is an earlier pickup time, and it is convenient for them to do so, they might be more inclined to try to meet

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

the earlier pickup if they have particular concerns. For example, consider a mailer who yesterday intended to mail a payment shortly before the last pickup time on the box where he normally drops his mail, but forgot or was unable to do so. The mailer may today try to deposit the item prior to the earliest collection time on that box. If there is greater concern, the mailer may be willing to undertake even more effort to get the mail to a box with an earlier pickup time, if, for example, the box normally used only has one pickup at the end of the day.

f. Mailer behavior changes on the eve of a major holiday because mailers very commonly are no longer following their normal workday routines. See the discussions above.

The line of argument posed by this series of questions seems to be as follows. If there is a box outside my workplace with a 5 pm pickup, I normally drop my letters on my way home (between 4 and 5), and have no particular reason to drop those letters at noon or 2 pm or 3 pm. Therefore, why should anyone expect that I would drop my letters at those times on the eve of a major holiday?

One answer might be that you might drop your letters earlier because you might be leaving work earlier. Many employers release their employees early on Christmas and New Year's Eves. Another reason might be because you read in the paper that collection boxes were being swept early. More to the point, however, you might not be dropping the letters at all, because you might not have come into work at all. Or you may be dropping letters that day because you will be off work for the week

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

between Christmas and New Years, and you do not want to be bothered with such matters over the holiday.

The bottom line, however, is that for whatever reasons, little mail is deposited late in the day on the eve of major holidays like Christmas, when many Americans are not adhering to their normal workday routines. Whatever mail there is tends to be deposited early in the day.

g. More important than the question of what the Postal Service believes this hypothetical customer "should have thought" is the question of how many such hypothetical mailers are there likely to be. If local officials of the Postal Service had reason to believe that there would be many such customers, they would presumably collect on the normal pickup schedules.

The utility of trying to address what this hypothetical mailer "should have thought" is unclear. Rational mailers would expect normal collection pickups if they were unaware of any reason to believe that pickup schedules might be adjusted. Your hypothetical eliminates the possibility that the mailer has become aware of this possibility from media reports. Even so, it would be difficult to expect that the mailer would be unaware that many organizations in the New York City area were not operating on a "business as usual" basis on Monday, July 3, 2000. The Postal Service has no way of knowing the point at which it is plausible that your hypothesized mailer could begin to recognize the possibility that postal collections might fall into the category of activities operating on an adjusted schedule. Once awareness of that

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

possibility creeps in, however, the fact that the mailer nevertheless chose to deposit the mail shortly before the last scheduled pickup may provide some indication of the level of interest the mailer has in whether the mail is processed before or after the holiday.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-39. Please refer to the response to DFC/USPS-15. Assuming most postal customers do not see their outgoing mail after it has been processed and delivered, please explain how the typical postal customer would be expected to determine that a mail delay caused by early collections on the eve of a holiday was caused by the early collections and not some other factor.

RESPONSE:

It is not clear that the "typical" postal customer would even become aware of the fact that the mail has been delayed under the scenario described. Assuming they did become aware, however, it is not clear what the significance is of whether they were able to determine that the delay was caused by early collection on the eve of the holiday, or some other factor. If they were concerned about the situation, however, and contacted postal officials, it is possible that the early collection could be identified as a plausible cause of the delay. Even if the mailer only complained of the situation to friends and family, moreover, it is possible that someone who was aware of the early collection from media reports could suggest that possibility. Alternatively, the mailer might merely conclude that mail service around holidays is more variable than at other times, and leave a larger cushion for delivery in the future under such circumstances.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-40. Please refer to the response to DFC/USPS-17. Please provide copies of all documentation submitted to Lizbeth Dobbins, manager, Customer Satisfaction Measurement, in response to the November 16, 1999, memo.

RESPONSE:

Please see LR-4. All responsive materials retained in the files have been provided. With respect to Christmas Eve on 1998 and 1999, however, relevant information was entered on spreadsheets, copies of which are provided in LR-4. It appears that once the spreadsheets had been prepared, the supporting documentation submitted by the districts was discarded. Therefore, no information remains for those periods in the files other than what is included on the spreadsheets and provided in LR-4.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-41. Please explain all reasons why the Postal Service requires field offices to notify customers in advance when collections will be performed earlier than the posted collection time.

RESPONSE:

The purpose of such notice is to try to give customers some opportunity to alter their mailing practices if they believe that the adjusted collection schedules are less likely to meet their needs.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-42. Please refer to the Pacific Area memo in USPS-LR-3 dated June 21, 1999, concerning the Independence Day holiday in 1999.

- a. Please define a "Zero Bundle."
- b. Please explain why the Postal Service attempts to avoid zero bundles.
- c. Please explain why zero bundles, directly or indirectly, have a negative effect on customer service and satisfaction.
- d. The memo advises postal officials to "make sure all of your collection boxes are picked up as scheduled on July 2 and July 3." The memo adds, "We do not want to experience a Zero Bundle prior to the holiday." Would a zero bundle prior to the holiday create any consequences worse than a zero bundle on any other day? Please explain the apparent particular concern by the writer of the memo for avoiding a zero bundle prior to the holiday weekend.

RESPONSE:

a. "Zero Bundle" is a term with its origins in EXFC jargon. If a bundle of mail is dropped by EXFC testers in a collection box, and none of the pieces (going to a wide variety of destinations) meet their service standard, the bundle is considered a "Zero Bundle," because zero percent of the pieces were delivered on time.

b. Zero Bundles reduce EXFC scores and are indicative of poor service quality. Since the purpose of EXFC testing is to improve service quality, all offices strive to avoid Zero Bundles.

c. While a comprehensive discussion of service quality is beyond the scope of this response, customers prefer consistent, reliable service. A relatively high proportion of Zero Bundles, indicative of a relatively high incidence of collection problems, would tend to undermine customer service and satisfaction.

d. The term Zero Bundle is probably being used as shorthand for a missed collection. In terms of likely volume, the consequences of a missed collection might be

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

much smaller around a holiday. Employee awareness of this phenomena might cause some slackness in their focus on collections. Therefore, responsible officials, wanting to make sure that missed collections are avoided around holidays, draw employee attention to this because employees otherwise might only be thinking of the relatively low volumes, and perhaps lose some focus on the importance of sticking with the intended collection program.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-43. Please refer to the response to DFC/USPS-14 and the November 17, 2000, memo in USPS-LR-1 from Postal Service headquarters concerning operations policy for the Christmas Day and New Year's Day holidays. Please discuss whether the early collections performed on Saturday, December 23, 2000, in the Royal Oak District and the Appalachian District were consistent with Postal Service policy.

RESPONSE:

Because the matter does not commonly arise, the Postal Service has no policy on the ability of officials at the District level to alter collections on Saturday, December 23rd, on years in which Christmas, December 25th, falls on a Monday.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-44. Please refer to the November 17, 1999, and November 18, 1999, memos in USPS-LR-1 concerning operations policy for the Christmas Day and New Year's Day holidays.

- a. Please specifically define "late evening mail collections." In your definition, please include the latest hour in the day that nevertheless would not constitute "late evening."
- b. Please confirm that the term "late evening mail collections" is sufficiently ambiguous that field offices may have curtailed collections scheduled for hours earlier than Postal Service headquarters intended and earlier than the Postal Service defines in its response to part (a) of this interrogatory.

RESPONSE:

a. There was no particular definition of "late evening mail collections" intended. Facilities were intended to use their discretion.

b. While the term "late evening mail collections" may have been ambiguous, it was intentionally so. If the intent had been to identify a specific hour before which collections should not be curtailed and after which curtailment would be appropriate, the memos would have included such a limitation explicitly.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-45. When field offices decide to perform collections on the eve of a holiday earlier than the time posted on collection boxes, is the final collection at some post offices, stations, and branches also performed at an earlier hour than the time posted on the collection receptacles?

RESPONSE:

If the retail facility is open for its regular hours, the final collection for collection points inside the facility would tend to be made by clerks, and would therefore not be expected to be early. For collection points outside the facility, those may be performed by a returning carrier. Unless that carrier were returning early, those final collections would likewise not be expected to be early.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-46. The Pacific Area memos provided in USPS-LR-3 repeatedly state, for holidays when normal collection schedules will be observed, that "it is critical that our business customers and high volume mailers are made aware of our holiday collection efforts."

- a. Is it not critical to inform postal customers who are not businesses or high-volume mailers?
- b. Please confirm that the Pacific Area does not take any steps to notify postal customers who are not businesses or high-volume mailers of holiday collection plans. If you do not confirm, please describe and provide documentation of these notification efforts.
- c. Please estimate the number of business and high-volume customers notified in the Pacific Area on each holiday on which normal collection schedules were observed and the approximate percentage of the mail volume on these holidays in the Pacific Area that these customers' mail comprised.
- d. Does the Pacific Area notify business customers who deposit most or all of their mail in Postal Service collection boxes or collection receptacles, or is the notification limited to customers who deliver their mail to the business mail entry unit or back dock of a post office or whose mail the Postal Service picks up from the mailer's facility? If the Postal Service notifies business customers who deposit most or all of their mail in Postal Service collection boxes or collection receptacles, please explain how the Postal Service notifies these customers, estimate the number of customers in the Pacific Area who receive this notification, and estimate the approximate percentage of the mail volume on these holidays in the Pacific Area that these customers' mail comprises.

RESPONSE:

a. Ideally, it would be best if all customers were always fully aware of such information. Realistically, that is not possible because many customers, for whom mailing is not a major portion of their life activities, simply do not care. Efforts are therefore focused on those for whom the information is most likely to be important, and those whose lack of knowledge would have the potential for the greatest consequences on postal operations.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

b. Like other parts of the country, communication personnel in the Pacific Area try to make sure that the media are aware, and communicate to the public, the days on which the Postal Service is observing Federal holidays. While such communications probably do not provide much information specifically about collection plans, they do alert the general public of the possibility that all aspects of postal operations may be affected.

c. Efforts to obtain such estimates generated the following information. Some plants identified a couple of specific large mailers in their areas that were notified. Other plants indicated that such notification is done through the Business Mail Entry Units. Other plants indicated that such notification was done by account personnel from marketing. Notice via monthly newsletters circulated to large accounts by marketing was also mentioned as another possibility. Lastly, several plants indicated that notification was not attempted, primarily because of a lack of large mailers in their area. No estimates of volume were obtained.

d. The types of customers most likely to be highly interested in such information would also very much tend to be customers who do not enter their mail through collection boxes. While the memos speak loosely of "collection efforts," the information most likely to be conveyed would relate to non-collection matters such as the times when mail would be accepted at bulk mail acceptance units, and whether or not processing operations which would affect that mail will be conducted. On the other hand, awareness of "collection efforts" may be quite important for small to medium

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

businesses that do not use collection boxes, but do have their mail picked up by carriers. That mail is considered collection mail, and, in the aggregate, in some areas constitutes a significant portion of collection mail. If those mailers are open on a non-widely observed holiday and generate their usual mail volume, it may be desirable to get that mail collected and processed. If those mailers assume incorrectly that no collection will be available on the holiday, and consequently tender mailings for two business days into the system the day after the holiday, the aggregate effect might be disruptive. This may be the impetus for the reference in the memos to the importance of keeping those types of mailers aware of intended collections on holiday in which normal collection and processing will occur.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-47. Please refer to the discussion of plan failures in the response to DFC/USPS-18.

- a. Please explain in greater detail how the effort to reduce plan failures on the day after a holiday provides insight into the adequacy of collection and processing of outgoing mail on the holiday itself.
- b. Suppose a plant does not process outgoing mail on a holiday. Please confirm that, all else equal, the likelihood of a plan failure on the day following the holiday is directly proportional, as opposed to inversely proportional, to the volume of mail that customers deposit on the holiday. If you do not confirm, please explain.
- c. Please refer to the memo in USPS-LR-3 dated May 11, 1998, concerning Pacific Area plans for the Memorial Day holiday. Please confirm that the occurrence of plan failures at six plants on the day after Memorial Day in 1997 tends to suggest that customers deposited a sufficient amount of mail on Memorial Day in 1997 to warrant collection and processing of outgoing mail on Memorial Day in 1998 in order to help to prevent plan failures on the day after Memorial Day in 1998. If you do not confirm, please explain.
- d. Please refer to the memo in USPS-LR-3 dated May 11, 1998, concerning Pacific Area plans for the Memorial Day holiday. Please discuss why plan failures might have occurred on the day after Memorial Day in 1997 given that arrangements were in place in the Pacific Area to process mail on Memorial Day in 1997. Might shortcomings have occurred in the scope or timing of mail collection on the holiday, thus reducing the amount of available mail that actually was collected and processed on the holiday?
- e. How many Pacific Area plants experienced plan failures on the day after Memorial Day in 1998, 1999, 2000, and 2001?

RESPONSE:

a. One possible cause of plan failures on the day after a holiday is the accumulation of too much mail to be processed on that day. If that is the cause of a plan failure, there exists the further possibility that the failure could have been avoided, or reduced in magnitude, by conducting processing operations (or, if some such operations were conducted, conducting more extensive processing operations) on the

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

holiday itself. That is, of course, by no means certain. If the surge in mail volume is primarily the result of mail deposited the day after the holiday, further operations on the holiday itself might have done little or nothing to alleviate the situation. Nevertheless, monitoring plan failures may in some instances provide some useful indication of when the level of holiday operations might have been suboptimal. Perhaps more compelling, however, the absence of plan failures would tend to provide affirmative evidence that holiday operations were adequate.

b. Not confirmed. The likelihood of a plan failure on the day after a holiday on which no processing occurred is directly proportional to the total volume of mail that needs to be processed on that day ("H+1"). If all the mail that needs to be processed on H+1 is presented for processing only at the end of the day, then the likelihood of a plan failure is unaffected by the proportion of the total mail volume that was deposited on the holiday. In fact, however, H+1 is likely to be a day in which, even more than normal, early collections will be conducted to present mail for processing before the end of the day. At one extreme, If all of the mail that needs to be processed on H+1 is deposited late in the day on H+1 (i.e., no mail was deposited on the holiday), there will be no benefit from the early collections, and the likelihood of a plan failure would be the same as if no early collections were conducted and all mail were presented for processing at the end of the day. On the other hand, as the proportion of total mail that was deposited on the holiday grows, the benefits from the early collections increase, and the likelihood of plan failure diminishes. Thus, under the scenario you have

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

described, the true relationship is more likely to be that the likelihood of a plan failure on H+1 is inversely proportional to the volume of mail that is deposited on the holiday, rather than directly proportional.

c. The occurrence of six plan failures on the day after Memorial Day in 1997 tends to suggest that there may have been too much mail on hand in those plants. Whether that mail was deposited in collection boxes on Saturday, Sunday, the Monday holiday, or Tuesday, or whether it was non-collection mail that was not appropriately cleared before the holiday, or that came in on Tuesday, is not certain. It would appear, however, given the equipment and other resources available in 1998, that the author of the May 11, 1998 memo perceived some possible connection between the observed plan failures and the potential benefits of processing mail on the upcoming holiday, as that memo noted those occurrences while directing that outgoing operations be conducted on Memorial Day, 1998.

d. Plan failures could occur for any of a wide variety of reasons, ranging from unexpected large tenders of bulk mail, to a relatively high level of employees failing to report as scheduled. The question appears to hypothesize that one cause of plan failures in 1997 could have been, despite the presence of sufficient processing resources on the holiday, insufficient collection resources on the holiday to present the available mail for processing. If this conjecture were correct to any material degree, however, one would expect that the following year's memo would have drawn attention to this deficiency, and taken steps to eliminate it. Mail processing supervisors having

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

their budgets charged for clerks earning the holiday premium would not be silent if those clerks could not be used efficiently due to a failure of carriers to collect available mail. In fact, however, the May 11, 1998 memo from LR-3 cited in the question contains the exact same instructions to delivery units with respect to holiday collections as did the May 13, 1997 memo, also provided in LR-3. Moreover, both memos suggest that potential plan failures might have more to do with carriers returning to their offices late with their collection mail on the day after the holiday (because of heavy delivery volumes), rather than with collection practices on the holiday itself.

e. In 1998, two plan failures occurred; in 1999, ten plan failures occurred; in 2000, seven plan failures occurred; and in 2001, eight plan failures occurred. Most of those occurring in 1999-2001, however, involved relatively small amounts of mail.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-48. Please confirm that, from 1980 to 1987, most plants processed outgoing First-Class Mail on all holidays except Christmas Day and New Year's Day. If you do not confirm, please explain.

RESPONSE:

It would probably be incorrect to suggest that, in that period, most plants processed outgoing mail on all holidays except Christmas and New Year's. If the question were amended to include Memorial Day, Independence Day, Labor Day, and Thanksgiving, however, it would much more probably be correct.

It is perhaps important, however, to put this comparison in some historical context. *The question refers to the specific years of 1980-1987, but the major significance of those years is probably that they represent the period before the time (1988) when the Postal Service terminated routine Sunday outgoing processing. The operating environment has changed dramatically between the current period, and the 1980-87 time period. As noted, one very significant change is that routine Sunday processing has been eliminated. In an era in which there was a particular operating plan established in most facilities for Sundays, it was quite natural to apply that operating plan on holidays as well. Currently, there is no similar niche into which holiday operations neatly fit, and that results in a more ad hoc approach for individual holidays.*

Overall, mail processing operations have tightened up considerably over the last decade. This is due partly to the increasingly automated nature of processing technology, and due partly to improved management focus as well. One consequence

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

of the tighter operating environment is that there is less opportunity to use potentially excess capacity on a holiday as a beneficial means to catch up on backlogged mail volumes. In the 1980-87 time frame, staffs brought in to work on holidays would have tended to have had greater opportunities to work mail that was already in the system. As a result, the additional cost of scheduling holiday staff could have been perceived at that time to be lower than it might be perceived today.

Based on EXFC scores, First-Class Mail service performance has improved in the current era, relative to earlier ones. Mailer satisfaction with postal services is, in general, high. There is no reason to believe that most mailers, even given a decline in the availability of outgoing mail service on holidays, would prefer to return to the mailing environment as it existed in the 1980-87 period. Caution should be exercised before attempting to draw conclusions about one aspect of service (e.g., holiday service) in isolation.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-49. In the 1980's, did the Postal Service employ "Area Mail Processing" or consolidation plans on holidays whereby one plant, rather than processing its own outgoing mail, would send its outgoing mail to another plant for processing? If not, in which year did this practice begin?

RESPONSE:

The concept of consolidation as a means to capture economies of scale in mail processing has been around for some time, with roots back at least into the 1960s and the implementation of the ZIP Code initiative. "Area Mail Processing" could be used to refer to a particular holiday consolidation plan, but more generally would be used to refer to a consolidation plan that routinely operates every processing day. While the notion of consolidation of operations specifically on holidays probably goes back some years, including the 1980s, the extent of its practice has not necessarily been constant.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-51. Despite the data provided in USPS-LR-2, please confirm that:

- a. The P&DC's in Reno, Nevada, and Sacramento, California, did *not* process outgoing mail on Presidents' Day in 1995.
- b. The P&DC in Portland, Oregon, *did* process outgoing mail on Memorial Day in 1999.

RESPONSE:

a. Not confirmed. Information obtained directly from Reno and Sacramento corroborates the information in USPS-LR-2 indicating that those facilities *did* process outgoing mail on President's Day, 1995.

b. Not confirmed. Officials in Portland were queried and reported that the Portland OR P&DC did *not* cancel mail on Memorial Day, 1999.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-52. Please refer to the response to DFC/USPS-14 and the headquarters memorandum in USPS-LR-1 dated June 23, 2000. Please describe any basis for not believing that as many as a majority of Postal Service collection boxes nationwide were collected on Monday, July 3, 2000, according to a Saturday collection schedule rather than a Monday collection schedule.

RESPONSE:

Anecdotal information suggests that this is not the case, and that most areas simply did not bother to adjust collection schedules on that date. That conclusion is supported by information available in LR-4. After the holiday, Areas were apparently asked to submit their press releases with respect to July 3rd. The only response appearing in the files in LR-4 which affirmatively indicates a shift to Saturday collection schedules is from the New York District. Other responses indicated that other areas (*San Francisco, Midwest, Honolulu, Mid-Atlantic, Los Angeles, and Great Lakes*) maintained regular collection schedules on July 3rd. While definitive information on other areas is not in the files, it seems much more likely that they would have felt that no response was necessary if they had made no adjustment, maintained normal collections, and therefore had no press release to submit.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-54. Please confirm that the number of plants that processed outgoing First-Class Mail between 1992 and 2001 on holidays except Christmas Day and New Year's Day is lower than the corresponding number for most years from 1980 to 1987. If you do not confirm, please explain.

RESPONSE:

While lacking quantitative information to confirm or deny this assertion, and putting aside the fact that the total number of processing plants is higher in the near period (1992-2001) than it was in the earlier period (1980-1987), the Postal Service believes that it is likely to be correct that the proportion of plants processing on most holidays is currently lower. Please see, however, the response to DFC/USPS-48.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-55.

- a. Please confirm that the cancellation volumes reported in USPS-LR-2 do not include the volume of First-Class Mail that was entered as presorted mail or mail bearing permit imprints.
- b. Please confirm that the cancellation volumes reported in USPS-LR-2 do not include the volume of metered First-Class letters that were mailed in trays or bundles and that bypassed the cancellation operation.
- c. Please confirm that the cancellation volumes reported in USPS-LR-2 do not include the volume of First-Class metered flats that bypassed the cancellation operation.
- d. Please explain whether the cancellation volumes reported in USPS-LR-2 include cancellation volumes for flats.
- e. Please confirm that plants that processed outgoing First-Class Mail on non-widely-observed holidays likely received a significant, if not substantial, volume of First-Class metered letters that were mailed in trays or bundles and that bypassed the cancellation operation.

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed.
- d. Yes, flats are included.
- e. Confirmed that this does happen on occasion. While the volume of such mail could in some instances be significant (i.e., non-trivial), it does not rise to the level of a "substantial" portion of the outgoing mail volume.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-56. Please identify any known instances of post offices making the final collection from collection boxes on the day after a holiday earlier than the final posted collection time for the day of the week that corresponds to the day after the holiday.

RESPONSE:

The Postal Service is unaware of any instances of this practice.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-57. When post offices do not collect or process outgoing First-Class Mail on certain holidays, please describe the ways in which collection activities might differ on the day following the holiday compared to the collection activities that these post offices observe on days that do not follow a holiday. Please explain the reasons for these differing collection activities. Does the use of different collection activities on the day following the holiday depend on whether the holiday was a Monday holiday? If so, please explain how and why.

RESPONSE:

As indicated in certain of the materials in USPS-LR-1, local offices may schedule additional collections early in the day after a holiday to allow any accumulated volume to get into the outgoing processing operations sooner. The reason these activities are undertaken is to expand the window in which outgoing processing can be conducted, in order to get all outgoing processing completed on a timely basis. Since mail routinely is not collected on Sundays, the days following Monday holidays are likely candidates for these activities.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF DOUGLAS F. CARLSON**

DFC/USPS-58. Please refer to the response to DFC/USPS-10, where the response states, "It is also possible, however, that reduced holiday operations have had an impact on the amount of mail being deposited, further reducing the need for holiday operations." On holidays in recent years when the Postal Service processed outgoing First-Class Mail, please confirm that the absence of a holiday collection time posted on most collection boxes may have caused a lower cancellation volume than the Postal Service might have experienced if collection boxes had shown a holiday collection time. If you do not confirm, please explain.

RESPONSE:

Confirmed. It should be noted, however, that mailers who approach a collection box on a holiday and for the first time observe that the holiday schedule is blank are still likely to deposit their mail, because there is nothing to be gained by retaining the mail and dropping it in the same box on a later day for which a collection is scheduled. On the other hand, mailers who were previously aware that the holiday schedule is blank could either make a point to deposit their mail before the holiday, or avoid making a special trip to get to the mail box on the holiday, when a more convenient trip on the day following the holiday may appear to obtain them equivalent service. It would be the action of these mailers, rather than those who were previously unaware of the lack of holiday schedule, which might have a greater tendency to reduce cancellations on the holiday.

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice, I have this day served the foregoing document upon:

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